



Patrick W. Henning, Director

September 18, 2008
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Arnold Schwarzenegger
Governor

Mr. Andrew Munoz, Executive Director
Orange County Community Services Agency
1300 S. Grand Avenue, Bldg. B, 3rd Floor
Santa Ana, CA 92705-4407

Dear Mr. Munoz:

**WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Orange County Workforce Investment Board's (OCWIB) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Ms. Karen Fuller-Ware from May 12, 2008 through May 16, 2008. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by OCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2007-08.

We collected the information for this report through interviews with representatives of OCWIB a review of applicable policies and procedures, and a review of documentation retained by OCWIB for a sample of expenditures and procurements for PY 2007-08.

BACKGROUND

The OCWIB was awarded WIA funds to operate a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, OCWIB was allocated: \$1,674,828 to serve 403 adult participants; \$1,775,903 to

to serve 571 youth participants; and \$3,064,318 to serve 724 dislocated worker participants.

For the quarter ending March 31, 2008, OCWIB reported the following expenditures and enrollments for its WIA programs: \$299,271 to serve 379 adult participants; \$832,878 to serve 559 youth participants; and \$875,086 to serve 571 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, OCWIB is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, OCWIB is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is OCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain OCWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Ms. Karen Fuller-Ware at (916) 653-4174.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
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